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Title:

Statement: Shipbuilding industry submission to federal government

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STATEMENT

from the Premier

June 30, 1976

Date.....

Embargo.....

State Administration Centre,
Victoria Square, Adelaide,
South Australia 5001
228 4811

SHIPBUILDING INDUSTRY SUBMISSION TO FEDERAL GOVERNMENT

The Premier, Mr. Dunstan, today released details of the South Australian Government's submission to the Federal Government on the present state of the Australian shipbuilding industry.

Mr. Dunstan said South Australia's grave concern would be put to the Federal Minister for Industry and Commerce, Senator Cotton, at a meeting of State development ministers in Sydney on Friday. The South Australian Government is recommending assistance measures to improve efficiency in the industry and improve management-workforce relationships with the aim of upgrading the capacity of the shipbuilding industry.

The Premier said that Australia had fallen far behind many overseas countries whose governments significantly assisted their local shipbuilding industries through such measures as low interest rates, loan guarantees and generous depreciation and payment terms.

In recent years, Australia's shipbuilding industry had shown a marked decline with the closure of five of Australia's major yards. Furthermore, Australia's shipbuilding capacity had been reduced from the point where the total naval and merchant shipping needs of the nation could be met, to the point where the remaining industry could only cater for Australia's basic shipping needs. The two remaining major shipyards (The State Dockyard, Newcastle, and Whyalla Shipbuilding and Engineering Works) had indicated the strong possibility of closure unless they gained some orders for ship construction in the very near future.

Mr. Dunstan warned that should the Shipbuilding and Engineering Works close at Whyalla, at least 4,000 persons would be affected by unemployment. Taking families into account, 35% of the population would be directly affected. Consequently, the closure of the shipbuilding works in Whyalla would not only lead to the loss for Australia of a valuable and skilled labour resource which could possibly never be regained, but could spell disaster for the city of Whyalla and its population.



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The Premier said that a temporary solution to the present problem could be the directing of naval or other orders to Whyalla. In addition the Federal Government might well consider upgrading Whyalla to make it possible for the construction of large vessels over 70,000 dwt. It was also being suggested to the Federal Government that incentives be offered to both owners and shipbuilders currently in operation, a counter vailing duty with a minimum protection level of 10% be applied to operate for a period of five years for certain vessels and guarantees by State Government of loans of up to 70% of the cost of a vessel or improvement to a yard.

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